

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

**UNAUDITED CONDENSED INCOME STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2012**

	Q4 Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.12 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.11 RM'000 (audited)	Current Year To Date 31.12.12 RM'000 (unaudited)	Preceding Year To Date 31.12.11 RM'000 (audited)
Revenue	612,497	609,538	2,301,337	2,299,554
Cost of sales	(521,472)	(466,466)	(1,927,133)	(1,836,174)
Gross profit	91,025	143,072	374,204	463,380
Other operating income	(1,805)	1,821	3,498	6,943
Selling and distribution cost	(14,586)	(15,324)	(53,608)	(54,312)
Administrative expenses	(10,389)	(21,204)	(43,846)	(48,178)
Other gain / (losses) -net	2,067	568	589	(1,494)
Profit from operations	66,312	108,933	280,837	366,339
Finance costs	(5,111)	(2,716)	(11,049)	(12,303)
Finance income	7,837	2,431	15,371	5,337
Profit before taxation	69,038	108,648	285,159	359,373
Zakat	(15,611)	-	(16,580)	-
Taxation	(13,559)	(32,236)	(66,551)	(95,557)
Profit for the period	39,868	76,412	202,028	263,816

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR
THE TWELVE (12) MONTHS ENDED 31 DECEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.12 RM'000	Preceding Year Corresponding Quarter 31.12.11 RM'000	Current Year To Date 31.12.12 RM'000	Preceding Year To Date 31.12.11 RM'000
Profit for the period and total comprehensive income	39,868	76,412	202,028	263,816
Attributable to:				
Shareholders of the Company	39,868	76,412	202,028	263,397
Non-controlling interest	-	-	-	419
Total comprehensive income for the period	39,868	76,412	202,028	263,816
Basic earnings per share attributable to equity holders of the Company (sen) (1)	5.67	10.87	28.74	37.47

The Unaudited Condensed Income Statements and Unaudited Condensed Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

(1) Calculated based on the number of shares post listing amounting to 702,980,000.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 31.12.12 RM'000 (unaudited)	As at 31.12.11 RM'000 (audited)
Assets		
Property, plant and equipment	398,526	407,050
Intangible asset	76,354	79,581
Goodwill	576,240	576,240
Prepaid lease payment	716	786
Biological Asset	11,711	622
Prepayment	8,198	-
Total non-current assets	1,071,745	1,064,279
Inventories	442,268	279,954
Biological assets	-	11,198
Trade receivables	193,154	197,480
Other receivables, deposits and prepayments	45,633	25,566
Tax recoverable	6,773	4,005
Derivative financial assets	561	2,053
Amount due from related companies	2,885	-
Cash and cash equivalents	594,584	527,969
Total current assets	1,285,858	1,048,225
Non-current assets held for sale	1,941	-
Total assets	2,359,544	2,112,504
Equity		
Share capital	351,490	351,490
Share premium	366,765	366,765
Reorganisation deficit	(1,039,632)	(1,039,632)
Merger relief reserve	1,733,939	1,733,939
Retained earnings	336,585	268,122
Total equity attributable to equity holders of the Company	1,749,147	1,680,684
Liabilities		
Deferred tax liabilities	81,773	92,919
Provision for defined benefit plan	-	468
Total non-current liabilities	81,773	93,387
Current liabilities		
Payables and accruals	60,009	36,343
Amount due to related parties	2,375	238
Borrowings	461,000	288,300
Current tax liabilities	5,240	13,552
Total current liabilities	528,624	338,433
Total liabilities	610,397	431,820
Total equity and liabilities	2,359,544	2,112,504
Net assets per share attributable to equity holders of the Company (RM)	2.49	2.39

The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

(1) Calculated based on the number of shares post listing amounting to 702,980,000.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DEC 2012

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2012	351,490	366,765	1,733,939	(1,039,632)	268,122	1,680,684	-	1,680,684
Profit for the period ended 31 Dec 2012	-	-	-	-	202,028	202,028	-	202,028
Dividend paid	-	-	-	-	(133,565)	(133,565)	-	(133,565)
At 31 Dec 2012	351,490	366,765	1,733,939	(1,039,632)	336,585	1,749,147	-	1,749,147

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

**MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011**

	Share capital RM'000	Share premium RM'000	Merger relief reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2011	270,889	-	1,625,331	(618,613)	60,963	1,338,570	40,271	1,378,841
Incorporation of Company	*	-	-	-	-	*	-	*
<u>Transaction with owners:</u>	-	-	-	-	-	-	-	-
Dividend	-	-	-	(317,500)	(56,238)	(373,738)	(17,500)	(391,238)
Accretion of interest in KGFP	18,101	-	108,608	(103,519)	-	23,190	(23,190)	-
Issuance of shares	62,500	375,000	-	-	-	437,500	-	437,500
Share issuance expenses	-	(8,235)	-	-	-	(8,235)	-	(8,235)
Total comprehensive income for the period ended 31 December 2011	-	-	-	-	263,397	263,397	419	263,816
At 31 December 2011	351,490	366,765	1,733,939	(1,039,632)	268,122	1,680,684	-	1,680,684

* 200 shares of RM 0.50 each

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	Current Year To Date 31.12.12 RM'000 (unaudited)	Preceding Year To Date 31.12.11 RM'000 (audited)
Cash Flows From Operating Activities		
Profit for the period	202,028	263,816
Adjustment for Non-Cash Flow Items	88,584	148,315
Operating Profit Before Changes in Working Capital	<u>290,612</u>	<u>412,131</u>
Changes in Working Capital		
Net changes in working capital	(143,299)	62,013
Retirement benefit paid	-	(618)
Tax paid	(89,385)	(106,692)
Net Cash Generated From Operating Activities	<u>57,928</u>	<u>366,834</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(34,201)	(31,240)
Proceeds from disposal of property, plant and equipment	3,407	132
Interest received	11,396	11,538
Decrease/(increase) in deposit pledged	53	(2)
Net Cash Used In Investing Activities	<u>(19,345)</u>	<u>(19,572)</u>
Cash Flows From Financing Activities		
Issuance of shares - IPO	-	425,891
Drawdown of borrowings	1,035,400	893,300
Repayment of borrowings	(862,700)	(822,000)
Interest paid	(11,049)	(12,303)
Dividend paid	(133,566)	(391,238)
Net Cash Generated From/(Used In) Financing Activities	<u>28,085</u>	<u>93,650</u>
Net Increase In Cash And Cash Equivalents	66,668	440,912
Cash And Cash Equivalents At Beginning Of The Period	527,916	87,004
Cash And Cash Equivalents At End Of The Period	<u>594,584</u>	<u>527,916</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	560,311	465,846
Cash and bank balances	34,273	62,070
	<u>594,584</u>	<u>527,916</u>
Add:		
Deposit pledged	-	53
	<u>594,584</u>	<u>527,969</u>

The Unaudited Condensed Combined Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Unaudited Condensed Interim Financial Information.

MSM MALAYSIA HOLDINGS BERHAD
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

The interim financial statements have been prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and

The Unaudited Condensed Interim Financial Information should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2011. These explanatory notes attached to the Unaudited Condensed Interim Financial Information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

1 Basis Of Preparation

The accounting policies and presentation adopted for this Unaudited Condensed Interim Financial Information are consistent with those of the Group's Audited Financial Statements for the financial year ended 31 December 2011, except for the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2012 as discussed below.

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 7	<i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
Amendments to FRS 112	<i>Deferred tax: Recovery of underlying assets</i>
Amendments to FRS 124	<i>Related party disclosure</i>

The initial application of the above standards, amendments and interpretations did not have any material impact on the financial statements of the Group.

2 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2011 were not subject to any audit qualification.

3 Seasonal Or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except during the final sugar cane harvesting season from January to April this year. The Group discontinued sugar cane cultivation in April 2012.

4 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity and net income for third quarter ended 31 December 2012.

5 Changes In Estimated Amounts Reported In Prior Period Which Have Effect On The Current Period

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter.

6 Changes In Debt And Equity Securities

There were no changes in debt and equity securities during the period under review.

7 Dividends

The directors has agreed to declare a final dividend payment of 11 cents per share on 702,980,000 ordinary shares amounting to RM 77.3 million for the year ended 31 December 2012 to be paid on 12 July 2013 subject to approval of shareholders at the forthcoming Annual General Meeting (AGM).

8 Segmental Reporting

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee (MC). The MC considers the business primarily a product perspective. The reportable operating segments have been identified as follows:-

(i) Sugar - Sugar refining and sales and marketing of refined sugar

(ii) All other segments - Operating segments that are not material and not aggregated into any of the reportable segments. This includes palm oil and rubber which started in 2012.

Quarter ended 31 December 2012	Sugar	All Other segments	Reconciliation	Total
	RM'000	RM'000	RM'000	RM'000
Total segment revenue	2,313,087	-	(11,750)	2,301,337
Revenue from external customers	2,313,087	-	(11,750)	2,301,337
Finance income	4,212	-	11,159	15,371
Finance cost	(11,049)	-	-	(11,049)
Depreciation and amortisation	(30,117)	-	(3,237)	(33,354)
Profit before taxation	289,797	(723)	(3,915)	285,159
Taxation		-		(66,551)
Zakat				(16,580)
Profit after taxation for the financial period				202,028

9 Valuation of Property, Plant And Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

10 Material Events Subsequent To The End of the Financial Period

There were no material events which occurred subsequent to the end of the quarter ended 31 December 2012.

11 Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current period under review.

12 Changes in Contingent Liabilities or Contingent Assets

The Group does not have any material contingent liabilities or contingent assets as at 22 February 2013.

13 Capital Commitments Outstanding Not Provided For In The Unaudited Condensed Interim Financial Information

	As at 31.12.12 (unaudited) RM'000	As at 31.12.11 (audited) RM'000
Property, plant and equipment:		
- Contracted but not provided for	63,880	20,105
- Approved but not contracted for	109,378	85,161
	173,258	105,266
	As at 31.12.12 (unaudited) RM'000	As at 31.12.12 (unaudited) RM'000
Biological Assets:		
- Contracted but not provided for	-	-
- Approved but not contracted for	30,481	-
	30,481	-

14 Material Related Party Transactions

(a) Related party transactions are as follows:

	For period ended 31.12.12 (unaudited) RM'000	For period ended 31.12.11 (audited) RM'000
(i) Transactions with immediate holding company, FGVH		
Management fees	(2,994)	(1,592)
(ii) Transactions with a subsidiary of a significant shareholder		
Sales of refined sugar	18,719	23,168
	<u>15,725</u>	<u>21,576</u>
(iii) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy received	244,798	142,693
(iv) Transactions between subsidiaries and government-related financial institutions		
Interest expense for bankers acceptances	(3,816)	(4,122)
Interest income from fixed deposits and cash balances	3,945	3,966

(b) Balances relating to related party transactions are as follows:

	As at	
	31.12.12 (unaudited) RM'000	31.12.11 (audited) RM'000
(i) Balances with immediate holding company		
Amount due to:		
Management fees	1,060	-
(ii) Balances with a subsidiary of a significant shareholder		
Amount due to:		
Felda Security Services Sdn Bhd	8	8
Felda Prodata System Sdn Bhd	60	2
Felda Agriculture Services Sdn Bhd	-	53
Felda Engineering Services Sdn Bhd	917	175
Felda Travel Sdn Bhd	2	-
Felda Global Ventures Perlis Sdn Bhd	5	-
Felda Holdings Berhad	244	-
(iii) Balances with ultimate holding company		
Amount due to:		
FELDA	79	-
	<u>2,375</u>	<u>238</u>
(iv) Balances with a subsidiary of a significant shareholder		
Amount due from:		
Felda Trading Sdn Bhd	2,884	-
(v) Balances with ultimate holding company		
Amount due from:		
FELDA	1	-
	<u>2,885</u>	<u>-</u>

(vi) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan

Sugar subsidy receivable	29,678	21,107
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(vii) Balances between subsidiaries and government-related financial institutions

Bankers acceptances	133,000	43,300
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Fixed deposits and cash balances	176,187	108,299
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15 Review Of Performance for fourth Quarter

For the current quarter ended 31 December 2012, the Group recorded 0.5% higher revenue from RM609.5 million for Q4 2011 to RM612.5 million for Q4 2012. It was due to higher average selling price of refined sugar and subsidy received in Q4 2012.

The profit before tax for the current quarter was RM69.0 million as compared to RM108.6 million for the same period in 2011, a reduction of 36.5% mainly due to higher raw material cost recorded.

16 Material Changes In The Quarterly Results Compared To The Preceding Quarter

The comparison of the Group revenue and profit before taxation for the current and quarter last year is as follows:

	2012 Quarter 4 RM'000 (unaudited)	2012 Quarter 3 RM'000 (unaudited)	Variance	
			RM'000	%
Revenue	612,497	610,977	1,520	0.2
Profit before tax	69,038	59,639	9,399	15.8

The revenue for the Quarter 4 is higher by 0.2% as compared to the preceding quarter due to increased in sales. Profit before tax was higher as compared to preceding quarter mainly due to decrease in production cost.

17 Current Year Prospects

Notwithstanding the volatility of commodity prices, the Group is expected to be able to sustain its satisfactory performance.

18 Variance Of Actual Profit From Forecast Profit

The Group did not issue any profit forecast.

19 Profit from operations

Included in the operating profit are:

	Cumulative Quarter	
	Current Year RM'000 (unaudited)	Preceding Year RM'000 (unaudited)
Amortisation of intangible asset	3,225	3,225
Amortisation of prepaid lease payment	73	73
Depreciation of property plant and equipment	30,056	38,821
Property, plant and equipment written off	297	591
Gain/(Loss) on disposal of property, plant and equipment	1,207	(146)
Net foreign exchange loss	(2,364)	(103)

20 Taxation

	Cumulative Quarter	
	Current Year RM'000 (unaudited)	Preceding Year RM'000 (unaudited)
Current	(77,693)	(102,486)
Deferred	11,142	6,929
	(66,551)	(95,557)

The effective tax rate of 25% for the current period ended 31 December 2012 is the same with the Malaysian income tax rate.

21 Realised and Unrealised Profit/(Loss)

	As at 31.12.2012 RM'000 (unaudited)	As at 31.12.2011 RM'000 (unaudited)
Realised	420,797	374,713
Unrealised	13,860	(18,131)
	<hr/> 434,657	<hr/> 356,582
Consolidation adjustments	(98,073)	(88,460)
Total Group retained earnings as per consolidated accounts	<hr/> 336,584 <hr/>	<hr/> 268,122 <hr/>

The unrealised portion of retained earnings comprise deferred tax expense, cumulative net gains arising from fair value through profit and loss and translation gains and losses on monetary items denominated other than in Ringgit Malaysia.

22 Derivative Financial Instruments

The Group uses foreign currency exchange forward contracts and sugar commodity future contracts to manage its exposure to various financial risks. The fair value of these derivatives as at 31 December 2012 are as follows:

<u>Type of derivatives</u>	Notional amount RM'000	Fair value	
		Assets RM'000 (unaudited)	Liabilities RM'000 (unaudited)
Sugar commodity futures contracts	13,359	561	-
	<hr/> 13,359 <hr/>	<hr/> 561 - <hr/>	<hr/> - <hr/>

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 31 December 2011. The maturity periods of the above derivatives are less than one year.

23 Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are in a fair value loss position as at the date of the statements of financial position, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

24 Unquoted Investments And/Or Properties

There were no purchases or disposals of unquoted investments or properties for the current quarter.

25 Quoted Investments

There were no purchases or disposals of quoted investments for the current quarter.

26 Status Of Corporate Proposals

There was no corporate proposals entered into during the financial period under review.

27 Group Borrowings

As at 31 December 2012, the total secured and unsecured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.12.2012 RM'000 (unaudited)	As at 31.12.2011 RM'000 (unaudited)
Borrowings		
Current		
Unsecured:		
Bankers' acceptances and revolving credits	<u>461,000</u>	<u>288,300</u>
	<u>461,000</u>	<u>288,300</u>

28 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

29 Material Litigation

Since the last Audited Financial Statements for the year ended 31 December 2011, the Group was not a party to any material obligation or arbitration, either as plaintiff or defendant.

On behalf of the Board

Dato' Sabri Ahmad
Director

Tan Sri Mohd Isa Dato' Abdul Samad
Director

Kuala Lumpur
22 February 2013